



## District Court Holds on to State Law Claims Despite Dismissal of Patent Infringement Claim

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By: Vincent P. Jones, Andy Rosbrook, Rubén H. Muñoz

In a patent case containing a variety of federal and state law claims, the District of Massachusetts retained supplemental jurisdiction over the state law claims even after all the federal law claims were dismissed.

The lawsuit originally consisted of three federal claims (namely, patent infringement, correction of inventorship and Lanham Act violations) and eight state law claims, many of which were related to the patent-in-suit. As the litigation progressed, two of the three federal claims were dismissed. Later, after the close of fact discovery, the court granted summary judgment as to the third federal claim, leaving only the state law claims in contention. In addition to moving for summary judgment, the defendants requested that the court dismiss the remaining state law claims without prejudice for lack of subject matter jurisdiction because no federal claims remained.

The court denied the defendants' request. Central to the court's analysis was the doctrine of pendent jurisdiction. Under that doctrine, a court does not automatically lose supplemental jurisdiction when federal claims fall away. Instead, courts take a pragmatic, discretionary approach that allows federal courts to hear state law claims arising from a common nucleus of operative facts as federal claims before the court. In exercising its discretion, courts consider factors including judicial economy, convenience and fairness to the parties. Here, the court's justification for retaining jurisdiction hinged on several factors, including the advanced stage of the proceedings and the court's deep familiarity with the case. Litigation had been ongoing for over four years and discovery was complete. Further, judicial economy

weighed in favor of retaining jurisdiction because dismissal and state refiling would cause significant delays, burden another court with a complex fact pattern and impose a large financial burden on the parties. The court found these elements to weigh strongly in favor of the court retaining jurisdiction.

Moreover, there was strong interconnection between the state and federal claims. Most of the state claims—including fraudulent misrepresentation and breach of fiduciary duty, both related to a patent assignment—revolved around the development of, and rights to, the same patent, just as the dismissed federal claims did. This relatedness further justified the court’s decision to maintain jurisdiction. The court also noted that the state law issues did not involve complex or novel questions of state law that would be better suited for a state court to decide. The court denied the defendants’ motion to dismiss, choosing to hear all remaining state law claims in the case.

**Practice Tip:** Even if all federal law claims are dropped from a case in which a court has exercised pendent jurisdiction over state law claims, a court can exercise its discretion to retain jurisdiction over the remaining state law claims. In that circumstance, parties should recognize that pendent jurisdiction is a matter of judicial discretion and not one of plaintiff’s right.

*JT IP Holding, LLC v. Florence*, No. 20-cv-10433, 2024 WL 4190044 (D. Mass. Sept. 12, 2024)

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